

AMENDMENT NO. \_\_\_\_\_

Calendar No. \_\_\_\_\_

Purpose: To provide a complete substitute.

**IN THE SENATE OF THE UNITED STATES—108th Cong., 1st Sess.**

**H.R. 659**

To amend section 242 of the National Housing Act regarding the requirements for mortgage insurance under such Act for hospitals, and for other purposes.

Referred to the Committee on \_\_\_\_\_  
and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT IN THE NATURE OF A SUBSTITUTE intended  
to be proposed by Mr. SHELBY

Viz:

1       Strike all after the enacting clause and insert the fol-

2   lowing:

3   **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Hospital Mortgage In-

5   surance Act of 2003”.

1 **SEC. 2. STANDARDS FOR DETERMINING NEED AND FEASI-**  
2 **BILITY FOR HOSPITALS.**

3 (a) IN GENERAL.—Paragraph (4) of section 242(d)  
4 of the National Housing Act (12 U.S.C. 1715z-7) is  
5 amended to read as follows:

6 “(4)(A) The Secretary shall require satisfactory evi-  
7 dence that the hospital will be located in a State or polit-  
8 ical subdivision of a State with reasonable minimum  
9 standards of licensure and methods of operation for hos-  
10 pitals and satisfactory assurance that such standards will  
11 be applied and enforced with respect to the hospital.

12 “(B) The Secretary shall establish the means for de-  
13 termining need and feasibility for the hospital, if the State  
14 does not have an official procedure for determining need  
15 for hospitals. If the State has an official procedure for  
16 determining need for hospitals, the Secretary shall require  
17 that such procedure be followed before the application for  
18 insurance is submitted, and the application shall document  
19 that need has also been established under that proce-  
20 dure.”.

21 (b) EFFECTIVE DATE.—

22 (1) IN GENERAL.—The amendment made by  
23 this subsection (a) shall take effect and apply as of  
24 the date of the enactment of this Act.

25 (2) EFFECT OF REGULATORY AUTHORITY.—

26 Any authority of the Secretary of Housing and

1 Urban Development to issue regulations to carry out  
2 the amendment made by subsection (a) may not be  
3 construed to affect the effectiveness or applicability  
4 of such amendment under paragraph (1) of this sub-  
5 section.

6 **SEC. 3. EXEMPTION FOR CRITICAL ACCESS HOSPITALS.**

7 (a) IN GENERAL.—Section 242 of the National  
8 Housing Act (12 U.S.C.1715z-7) is amended—

9 (1) in subsection (b)(1)(B), by inserting “, un-  
10 less the facility is a critical access hospital (as that  
11 term is defined in section 1861(mm)(1) of the Social  
12 Security Act (42 U.S.C. 1395x(mm)(1)))” after “tu-  
13 berculosis”; and

14 (2) by adding at the end the following:

15 “(i) TERMINATION OF EXEMPTION FOR CRITICAL  
16 ACCESS HOSPITALS.—

17 “(1) IN GENERAL.—The exemption for critical  
18 access hospitals under subsection (b)(1)(B) shall  
19 have no effect after July 31, 2006.

20 “(2) REPORT TO CONGRESS.—Not later than 3  
21 years after July 31, 2003, the Secretary shall sub-  
22 mit a report to Congress detailing the effects of the  
23 exemption of critical access hospitals from the provi-  
24 sions of subsection (b)(1)(B) on—

1                   “(A) the provision of mortgage insurance  
2                   to hospitals under this section; and

3                   “(B) the General Insurance Fund estab-  
4                   lished under section 519.”.

5 **SEC. 4. STUDY OF BARRIERS TO RECEIPT OF INSURED**  
6 **MORTGAGES BY FEDERALLY QUALIFIED**  
7 **HEALTH CENTERS.**

8           (a) IN GENERAL.—The Secretary of Housing and  
9 Urban Development shall conduct a study on the barriers  
10 to the receipt of mortgage insurance by Federally qualified  
11 health centers (as defined in section 1905(l)(2)(B) of the  
12 Social Security Act (42 U.S.C. 1396d(l)(2)(B))) under  
13 section 1101 of the National Housing Act (12 U.S.C.  
14 1749aaa), or other programs under that Act.

15           (b) REPORT.—Not later than 6 months after the date  
16 of enactment of this Act, the Secretary of Housing and  
17 Urban Development shall submit a report regarding any  
18 appropriate legislative and regulatory changes needed to  
19 enable Federally qualified health centers to access mort-  
20 gage insurance under section 1101 of the National Hous-  
21 ing Act (12 U.S.C. 1749aaa), or other programs under  
22 that Act to—

23                   (1) the Committee on Banking, Housing, and  
24                   Urban Affairs of the Senate; and

- 1 (2) the Committee on Financial Services of the
- 2 House of Representatives.